



# Information Item

January 7, 2009

TO: Mayor and City Council

FROM: Andy Agle, Director of Housing and Economic Development

SUBJECT: FY07/08 Annual Report required by Section 2120 of the City Charter regarding City Participation in “Low Rent Housing Projects”

## **Introduction**

This is the FY07/08 annual report required by Article XXI of the City Charter regarding “low rent housing projects” that are subject to Article XXXIV of the State Constitution and that have received City planning approval or funding commitments during Fiscal Year 2007-2008. For FY07/08, 188 low rent housing units were counted against the 1,009 units authorized by Article XXI of the City Charter. The 1,009 units of authority represent the annual FY07/08 authority plus previous fiscal year authority. Details of this calculation are provided in Attachment 1.

## **Background**

Article XXXIV of the State Constitution requires local voter approval before any “low rent housing project” may be “developed, constructed or acquired in any manner by any public body.” On November 3, 1998, the voters of the City of Santa Monica approved Proposition I, which added Article XXI to the City Charter. Article XXI grants annual authority to the City to develop, construct or acquire “low rent housing projects” (Section 2110). This total annual authority is equal to one-half of one percent (1/2 of 1%) of the total number of

residential units existing in the City at the end of the prior fiscal year. Additionally, the City may “carry over” any unused (unit) authority for three years. The City’s typical method of participation in low rent housing projects involves providing loans to affordable housing developers using housing trust funds. Section 2120 of Article XXI requires that staff prepare an annual report for the City Council regarding the activity of the previous fiscal year and the authorization for the current fiscal year.

### **Discussion**

The total number of affordable housing units subject to Article XXXIV that received City planning approval or funding commitments in FY07/08 is one hundred eighty - eight.

The total number of housing units in the City as of June 30, 2008 is 50,796. This is calculated from the total number of housing units in the City as of June 30, 2007 (50,568), plus the number of newly constructed housing units completed in FY07/08 (290) minus the number of housing units that were demolished in FY07/08 (62).

During FY07/08, pursuant to Section 2110 of Article XXI, the City was authorized to “develop, construct or acquire” 1,009 low rent housing units. As stated above, 188 new units were counted against this authority, as were 64 units of unused authority carried over from FY04/05 (carry over unit authority is valid for three years). Therefore, the carry over balance beginning in FY08/09 is 757 units (1,009 - 188 - 64).

Added to this “carry over” authority of 757 units is the FY08/09 base allocation of new authority of 254 units (1/2 of 1% of 50,796 total housing units in the City as of June 2008), for a total authority of 1,011 low rent housing units for FY 08/09.

Attachment 1 of this report contains the supporting information for this annual report, including an inventory of low rent housing units for FY07/08, and calculations of Proposition I authority. The 188 affordable housing units listed for FY07/08 all received binding funding commitments (executed commitment letter or loan agreement) during FY07/08. The City may have other developments in the “pipeline” that are expected to receive planning approval or a funding commitment, but are not included in this report because the approval or commitment had not yet been granted during the FY07/08 reporting period.

Prepared by: Jim Kemper, Housing Administrator

Attachments

Attachment 1: Prop. I Annual Report - FY 07/08

# ATTACHMENT 1

## Prop. I Annual Report

*[per Section 2120 of City Charter]*

### FY 2007-08

Address	Project Type	# of Units	Date of Commitment or Planning Approval*
2624 Santa Monica Blvd	Rehab	8	8/27/2007
12841 West Washington	Rehab	20	11/13/2007
1701 Ocean Ave.	New	160	5/13/2008

Total # of Projects: 3

Total # of Units: 188

<p style="text-align: center;"><b><u>Total Housing Units in City</u></b></p> <p style="text-align: center;">As of June 30, 2007: 50,568</p> <p style="text-align: center;">Completed in FY07/08: 290</p> <p style="text-align: center;">Demolished in FY07/08: (62)</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: center;">Total as of June 30, 2008: 50,796</p>	<p style="text-align: center;"><b><u>FY 07/08 Prop. I Authority</u></b></p> <p style="text-align: center;">Carryover from FY04/05: <span style="border: 1px solid black; padding: 2px 10px;">252</span></p> <p style="text-align: center;">Carryover from FY05/06: <span style="border: 1px solid black; padding: 2px 10px;">252</span></p> <p style="text-align: center;">Carryover from FY06/07: <span style="border: 1px solid black; padding: 2px 10px;">252</span></p> <p style="text-align: center;">FY07/08 New Authority: <span style="border: 1px solid black; padding: 2px 10px;">253</span></p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: center;">FY07/08 Total Authority: <span style="border: 1px solid black; padding: 2px 10px;">1,009</span></p> <p style="text-align: center;">Authority Used During FY07/08: <span style="border: 1px solid black; padding: 2px 10px;">(188)</span></p> <p style="text-align: center;">Expired Unused Authority at June 2008: <span style="border: 1px solid black; padding: 2px 10px;">(64)</span></p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: center;">Carryover from FY05/06-07/08: <span style="border: 1px solid black; padding: 2px 10px;">757</span></p>
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<b><u>FY 08/09 Prop. I Authority</u></b>	
Total Housing on 6-30-2008:	50,796
1/2 of 1% of Total Housing:	x 0.5%
	<hr style="width: 20%; margin-left: auto; margin-right: 0;"/>
FY08/09 Base Authority:	254
Carryover from above [FY07/08]:	+ 757
	<hr style="width: 20%; margin-left: auto; margin-right: 0;"/>
<b>GRAND TOTAL FY08/09 Authority: 1,011</b>	

\* Which ever occurred first, per Section 2110 of the City Charter.